

AGN. NO.

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS
AND HILDA SOLIS**

OCTOBER 27, 2015

Request to Hear Item on an Urgency Basis Related to Funding of Health Facilities

The Department of Health Services (DHS) learned from the Center for Medicare and Medicaid (CMS) that CMS has revised its processes and is requiring the State of California, with the County's assistance, to submit no later than October 30, 2015, a revised State Plan Amendment (SPA) related to funding for non-County facilities affected by the closure in 2007 of the County's Martin Luther King Jr. Medical Center. This action is needed because the SPA will commit the County to making three annual Intergovernmental Transfers of up to \$4.2 million each, the details of which are set out in the accompanying motion. Because this Board will not meet again prior to the need for DHS to take these actions, it must hear this item and take action today.

**WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS, PURSUANT
TO GOVERNMENT CODE SECTION 54954.2(b)(2), FIND THAT:**

1. There is a need to take immediate action to authorize the Los Angeles County Department of Health Services to transfer up to \$4.2 million in

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MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND HILDA SOLIS
OCTOBER 27, 2015
PAGE 2

County funds as an intergovernmental transfer to the California Department of Health Care Services and to make necessary changes to obtain CMS approval of the State Plan Amendment; and

2. That the need to take this action came to the attention of the Board subsequent to the posting of the agenda for today's meeting.

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**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS
AND HILDA SOLIS**

OCTOBER 27, 2015

**Delegate Authority to the Department of Health Services to Allow for the
Uninterrupted Draw Down of Federal Matching Funds for the Impacted Hospital
Program**

Following closure of the Martin Luther King, Jr. Hospital in 2007, Los Angeles County (County) established Impacted Hospital Program (IHP) Agreements with nearby affected medical centers (MCs) to offset the increased cost for the care of emergency room patients who would have otherwise gone to the County facility. The affected hospitals were California Hospital MC, Centinela Regional MC, Downey Regional MC, Lakewood Regional MC, Long Beach Memorial MC, Memorial of Gardena MC, St. Francis MC, and White Memorial MC (IHP Hospitals).

In 2007, the Department of Health Services (DHS) provided for augmented payments to the IHP Hospitals by drawing down a Federal match through the transfer of County funds through an Inter-governmental Transfer (IGT) to the State pursuant to a Medi-Cal State Plan Amendment (SPA) negotiated between the State and the Center for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services. Most recently, on April 9, 2013, DHS obtained delegated authority to make subsequent IGT transfers of up to \$5 million on an annual basis until such time as the new Martin Luther King, Jr. Hospital opens.

Recently, CMS has revised its processes and is requiring the State, with the assistance of the County, to submit for approval a revised SPA related to these IHP

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MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND HILDA SOLIS
OCTOBER 27, 2015
PAGE 2

Hospitals by no later than October 30, 2015. Given the new SPA that is being developed and the opening of the new Martin Luther King, Jr. Hospital, DHS will need the authority to make the IGT to continue drawing down the Federal matching funds that are allocated to the IHP Hospitals.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Delegate authority to the Director of the Department of Health Services (DHS), or his designee to:

1. Transfer up to \$4.2 million annually as an Inter-Governmental Transfer to the Department of Health Care Services beginning from and including Fiscal Year 2015-16 through Fiscal Year 2017-18 for use as the non-Federal share of increased Medi-Cal payments to the Impacted Hospitals, with an aggregate annual distribution amount of approximately \$8.3 million (including the Federal match) on the following order of distribution:
 - Up to \$4 million distributed among the IHP Hospitals according to a formula developed by DHS taking into account patient days and a daily rate(s) established by DHS; and
 - The remaining funds, which will at a minimum be \$4.3 million, distributed among IHP Hospitals and potentially other non-County hospitals, as determined and prioritized by DHS under a different methodology.
2. Make any changes necessary to obtain Center for Medicare and Medicaid Services' approval of the State Plan Amendment, including revising the distribution of funds among the IHP Hospitals, with a report back to the Board in 90 days as to the status of the SPA and the related funding and distribution.

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